



CHAPTER THREE

1998 – 2003 EMS FINANCIAL PLAN

The six-year financial plan for King County's EMS System is premised upon a combination of program and service initiatives to:

- control costs;
- increase operating efficiencies; and
- manage the growth in demand for service.

Additional assumptions include the following:

1. The EMS levy needs to support continuation of quality service and provide adequate funding to develop strategic initiatives described in this plan.
2. Funding decisions will be approached from a system-wide perspective.
3. The financing plan recognizes individual jurisdictions' need for local autonomy to meet their communities' expectations for EMS services.
4. This financing plan depends upon coordination and collaboration between EMS providers and other health care entities.
5. The EMS Division is responsible for coordination and facilitation of collaborative activities necessary to assure the success of this regional strategic and financial plan.
6. As an essential public service, Advanced Life Support services will continue to be supported primarily by the EMS levy.
7. As an essential public service, Basic Life Support services will be funded through a combination of local taxes that support fire services together with EMS levy funds to support the incremental cost of BLS.
8. New sources of revenue may be needed to fund enhancements to the EMS system which may include grants and other non-levy funds.

CURRENT SOURCES OF FUNDING

The County's EMS System is currently funded through a combination of local tax revenues including the county-wide EMS levy, local fire service contributions, ALS provider contributions, King County, and miscellaneous funding sources for special programs.

The EMS Levy

The primary source of funding for ALS services and regional programs is the EMS levy. BLS services are funded through a combination of EMS levy funds and local fire service funds. Authorized by state law, counties may levy up to \$0.50 per \$1,000 of assessed property values to finance their EMS system. Voters are asked to approve the EMS levy



every six years. In King County, voters have approved three county-wide six-year levies and will be asked to approve the next six-year levy during the November, 1997, general election.

Unlike most special property tax levies, voters approve the EMS levy rate, rather than the amount of EMS funds. The rate sets the EMS funding level during the first year of the six-year levy period. Funding during subsequent years is capped by the 106% levy lid or the levy rate, whichever is less. Under this funding methodology, the levy lid will cap EMS funding levels if assessed property values increase by more than 6% in any given year. Otherwise, the levy rate will determine the maximum level of funding available for EMS services.

This methodology does not flexibly respond to growth in the demand for services or other community needs that affect the expense structure of the EMS system. As such, management of EMS levy funds, monitoring of workload volumes, and ongoing evaluation of performance standards throughout each six-year period is very important.

The authorized EMS levy rate in King County has been \$0.25 per \$1,000 of assessed value for the last 12 years. This rate has provided sufficient revenues to expand the EMS system to meet historical growth in the demand for services. Between 1992 and 1996, the rate of growth in EMS has exceeded the rate of growth in revenues. Cash reserves accumulated early in the current levy period have made it possible to fund the EMS system and meet system demands through 1997 within existing revenues. Projections of future cost trends and future demand for EMS services will require an increase in the EMS levy rate, taking into consideration initiatives to manage the rate of growth in services, and increased utilization of existing resources.

Fire Service Contributions

A major source of financial support for the EMS system comes from the fire service through local tax contributions. Integration of BLS services into the fire service offers the public access to highly trained professionals committed to public health and safety at minimal cost. As an incremental cost to the fire service, the majority of EMT/firefighter salaries are funded through fire service budgets. Other public health and safety activities financed through the fire service include:

- fire suppression
- search and rescue
- vehicle extrication
- surface water rescue
- disaster preparedness
- hazardous materials response
- life safety building code inspections
- planning and administration
- training and continuing education
- injury and illness prevention

Approximately 40% of EMS levy funds are currently allocated to BLS providers throughout King County. As an integral component of the County EMS system, BLS providers will continue to receive EMS levy funding to support their incremental costs of EMS services.

ALS Provider Contributions

Providers of ALS units contribute local support by absorbing into their other program budgets many ALS indirect overhead costs, including payroll, facilities, and administration costs. In 1997, ALS contractors contributed an average of 9% of total ALS unit costs. It is projected within the 1998-2003 funding plan that ALS providers will continue to absorb a portion of the indirect overhead costs. Otherwise, allowable ALS program costs will be funded by the EMS levy.



Miscellaneous Funding

The EMS Division receives limited funding from a variety of sources, including the King County general fund for Division administration and overhead costs as well as grant funding to support specific programs, including the following.

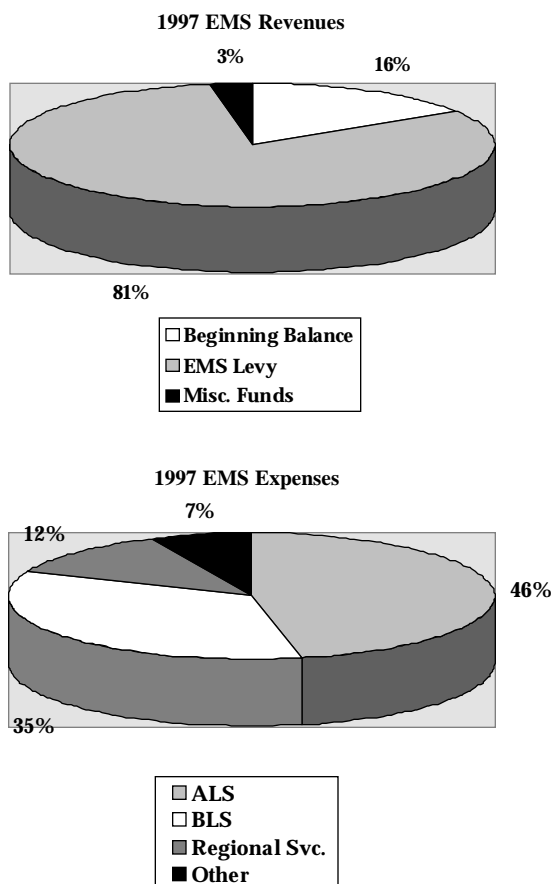
- Seattle and King County trauma hospitals provide funding to support the Central Region Trauma Registry and to staff the Central Region EMS and Trauma Council;
- The State of Washington provides Seattle-King County with EMS and trauma funding for regional system development, training, major trauma registry maintenance, injury prevention, and other programs. These funds are given to the Central region, overseen by the Regional EMS and Trauma Council, and administered by the EMS Division.
- Local and federal grant funding is available to the Division for on-going research in out-of-hospital field medicine, and the effectiveness of public education strategies.

While minor in comparison to the EMS levy support, these adjunct sources of revenue allow the EMS Division the flexibility to collect and analyze data for ongoing quality assurance as well as planning and monitoring of the EMS system. Should the funding for these special purposes be eliminated, the EMS Division will need to locate alternate funding sources in order to maintain these activities.

HISTORICAL FUNDS AND FUNDING ALLOCATION TRENDS

Figure 3.1 illustrates the 1997 distribution of revenues and expenses for EMS services. It is apparent that the EMS levy

Figure 3.1



is the largest source of revenue and ALS services represent the largest cost component within the County EMS system.

Growth in service demands and costs have increased more than growth in revenues. Planned early accumulation of cash reserves, shown in Figure 3.1 as "Beginning Balance" funds, have allowed the system to meet increased service demands without raising the levy rate.

As shown in Tables 3.1 and 3.2, EMS levy funds increased only 4% per year between 1992 and 1997. At the same time, operating costs increased 12% per year, primarily due to substantial growth in call volume.

The difference between EMS costs and EMS revenues is widening. While cash reserves and other sources of funding



make up the difference this levy period, it is clear that these will be insufficient through the next six years at the current levy rate of \$0.25. Financial analyses indicate that substantial reductions in the County's level of service and/or quality of care will occur if the EMS levy rate is not raised.

ANNUAL LEVY RATE NEEDED TO COVER ACTUAL EMS EXPENSES

Identifying the optimal EMS levy rate is very complex and requires consideration of multiple variables projected over a six year period. The rate must provide adequate funds each year within the levy period, taking into consideration projected growth in population, assessed property valuations, call volume and service considerations that may increase costs.

Table 3.3 illustrates what the EMS levy rate would have been if the EMS system was funded on an annual basis rather than a six year levy period. The annual rates are derived by dividing actual EMS levy allocations (annual expenses) by annual assessed property values. The annual EMS levy rate to cover actual expenses ranged from \$0.222 in 1992 to \$0.268 in 1997. Since the EMS levy is a six year levy rather than an annual levy, **the actual levy rate of \$0.25 represents an average rate for the six year period.**

It is also important to note that the 1997 County EMS costs do not include a full year of expenses for one new ALS unit to be operationalized some time in 1997. If the cost structure is adjusted to reflect a full year of operation for this unit, then the EMS levy rate for 1997 would need to be \$0.273.

Table 3.1 (\$ in thousands)

HISTORICAL OPERATING COST TRENDS COUNTY EMS							
	1992	1993	1994	1995	1996	1997	Average Annual % Change
ALS Services ⁽¹⁾	\$5,884	\$10,878	\$9,337	\$10,767	\$11,798	\$12,735	19%
BLS Services	\$6,522	\$7,368	\$7,707	\$7,938	\$8,017	\$8,278	4%
Regional Services	\$1,279	\$1,536	\$2,163	\$2,286	\$2,610	\$2,681	18%
Total EMS Division Expenses	\$13,685	\$19,782	\$19,207	\$20,991	\$22,425	\$23,694	12%

⁽¹⁾ The historical cost trends reflect actual expenditures for each year. In 1992, some ALS providers billed the EMS Division in 1993 for services actually delivered in 1992. The difference between the 2 years is due to accounting methods and does not indicate as large of an increase in costs as might otherwise be interpreted.

Table 3.2 (\$ in thousands)

HISTORICAL EMS DIVISION REVENUE TRENDS							
	1992	1993	1994	1995	1996	1997	Average Annual % Change
Beginning Fund Balance	\$2,850	\$4,471	\$5,716	\$6,433	\$5,907	\$3,977	7%
EMS Levy Revenue	\$16,484	\$17,886	\$19,070	\$19,609	\$19,784	\$20,397	4%
Other Revenues	\$274	\$315	\$587	\$397	\$297	\$255	-1%
County CX	\$375	\$375	\$375	\$375	\$375	\$375	0%
Total Available Funds	\$19,983	\$23,047	\$25,748	\$26,814	\$26,363	\$25,004	4%

Table 3.3

1992 – 1997 LEVY RATE BASED ON ACTUAL EXPENSES					
	Assessed Valuation ⁽¹⁾ (\$\$\$ in Millions)	EMS Expenses ⁽²⁾ (\$\$\$ in Millions)	Levy Rate Needed To Cover Expenses	Rate of Change AV EMS Expenses	
1992	\$104,450	\$23.2	\$0.222	2%	NA
1993	\$117,809	\$28.4	\$0.241	13%	22%
1994	\$118,222	\$27.3	\$0.231	<1%	(4%)
1995	\$121,750	\$29.8	\$0.245	3%	9%
1996	\$124,793	\$31.9	\$0.256	3%	7%
1997 Actual ⁽³⁾	\$127,913	\$34.4	\$0.268	3%	7%
1997 Adjusted	\$127,913	\$34.9	\$0.273		

⁽¹⁾ Assessed Values for 1996 and 1997 are estimates

⁽²⁾ Includes Seattle's share of the EMS levy.

⁽³⁾ 1997 Adjusted: Reflects full year operating expenses if all 14 ALS units had been in operation for twelve months of the year. Three new half time units are scheduled for implementation throughout 1997.



FUTURE FUNDING REQUIREMENTS ASSUMING NO CHANGE IN CURRENT TRENDS

Initial financial projections identified a levy rate approaching \$0.34 per \$1,000 of assessed property values. This would be the rate needed to fund current services and future expansion assuming continuation of current growth trends and the addition of four ALS units to serve projected increases in call volume. It also assumes continuation of inflationary cost trends.

In order to minimize tax increases and to reduce the percentage increase in the EMS levy, EMS providers will:

- initiate cost-saving programs to reduce the rate of increase in EMS costs;
- increase operating efficiencies within existing resources; and
- further enhance the ability to deliver EMS services in the most cost-effective manner.

COST SAVING PROGRAMS

The most significant cost saving strategy is to manage growth in demand for services as described in Strategic Initiative #2. This is expected to limit the number of additional ALS units to one unit during the next levy period. This is projected to save approximately \$3.0 million per year (in constant dollars.) This cost-saving strategy allows 1998 and 1999 growth in ALS call volume to be served within existing capacity. If needed, one new ALS unit (or two new half-time units) may be added sometime in 2000 or 2001 depending upon growth trends and successful implementation of the 1998 – 2003 Strategic Initiatives. Other cost saving programs included in this financial plan are:

- development of a joint purchasing program;

- a five year vehicle replacement, salvage, or retrofit program;
- capping the number of paramedic FTE's to be funded through the EMS levy at nine per unit and a proportionate ratio thereof for EMT/P units and half time units;
- expecting ALS providers to fund administrative support and other ALS overhead through their other program budgets;
- indexing annual increases in ALS and BLS funding allocations to the Consumer Price Index. *(Decisions on the applicable CPI rate will be discussed by the EMS Division in concert with the EMS Advisory Committee on an annual basis.)*

The EMS Division will work with the EMS Advisory Committee to explore and develop financial incentives that encourage ALS and BLS providers to participate in cost saving programs.

EMS LEVY RATE 1998 – 2003

The cost saving mechanisms are projected to decrease future EMS costs by 13.6%. While significant, these savings are insufficient to maintain current services with a levy rate of \$0.250. Further reductions in costs may result in degradation of service levels and quality of care may suffer.

Financial projections indicate that a combination of cost savings and an increase in the EMS levy rate to \$0.295 is needed to support this strategic plan through 2003.

Revenue Assumptions

Revenues to fund the EMS system are determined by assessed valuations and the levy rate. For the next six years, the King County Office of Management and Budget anticipates 2% per year growth in assessed valuations of current properties plus 2% per year increases due to



new construction. This results in a total of 4% per year growth in assessed values compounded over the six year time horizon.

The financial plan assumes continuation of County CX funds at the 1997 level of \$375,000 per year, accumulation of interest on unspent fund balances at 5% per year, plus timber taxes and donations.

It is also assumed that the EMS Division will continue to receive grant funding for categorical programs. However, this revenue is excluded from the regional EMS system financial plan since elimination of grant support will end the special programs unless other funding can be secured. The expenses associated with categorical programs are excluded from this financial plan as well.

Projected Cost Assumptions

EMS system costs are affected by call volume, population growth, resource utilization, inflation, and other factors. Prior to 2000, the financial plan assumes that EMS providers will expand utilization of existing resources to accommodate continued growth in the demand for services. At the same time, it is assumed that EMS providers will work towards expanding and enhancing the cost-saving programs. It is also projected that EMS providers will be successful in their collaborations with other health care entities to minimize the rate of growth in demand for EMS services and to broaden the array of transport destinations available throughout the county.

The projected financial plans include funding to develop and implement the strategic initiatives, including funding to:

- revise and refine dispatch triage guidelines for ALS responses;
- expand and enhance ALS and BLS performance guidelines and contract standards;

- develop data collection and reporting systems to measure and assess the impact of strategic decisions on patient care, quality and outcome measures; and
- develop a continuous quality improvement program.

The EMS system funding plan includes sufficient resources to develop pilot projects prior to full implementation of proposed strategic initiatives and program improvements. This will assure that operational changes achieve the desired results .

The cost projections also include one new ALS unit to be added in 2001, depending on workload and other service indicators. The staffing model and scheduling option for this unit will be determined as service demands indicate. Projected reductions in the number of new ALS units from four to one assumes that increases in ALS workload will be managed by:

- minimizing the rate of growth in the demand for services,
- ongoing review and revision of ALS triage guidelines, and
- increased utilization of existing resources.

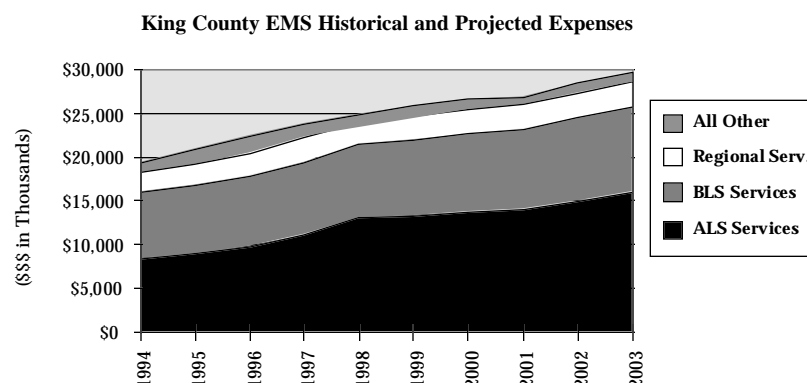
Projected Levy Rate for 1998 – 2003

Based on the financial assumptions plus successful implementation of the strategic initiatives and cost-saving programs, the EMS Strategic Plan Steering Committee recommends that the EMS levy rate be increased to \$0.295 per \$1,000 of assessed property values. A combination of cost reductions, operational efficiencies and increased revenues will allow EMS providers throughout the County to deliver the level and quality of service expected by the communities they serve. Table 3.4 illustrates the projected revenues and costs needed to support the County's EMS system through 2003.



The EMS system will need additional revenue to maintain current services if the financial assumptions are not met. In the event of limited revenues or increased demand beyond that which is funded in this plan, EMS providers may need to reduce the level and quality of services delivered. The EMS Advisory Committee will develop consensus recommendations about how and where proposed reductions may occur.

Figure 3.2



NEW PROGRAM DEVELOPMENTS

This funding plan recognizes that EMS funding will be limited during the next levy period. It is highly desirable, however, to initiate two new programs during the next levy period. The programs involve long term projects and will be pursued only if resources are available. The two major new projects include:

(1) Outcome Research

The EMS Division intends to expand its research and planning system to measure and monitor patient outcomes in all types of urgent and emergent care, building upon the current cardiac arrest surveillance program and the trauma registry.

(2) Integrate data systems

The EMS Division will continue its discussions with health plans and health care providers regarding development of a shared data system that integrates information on field medicine with hospital-based services.

The EMS Division will pursue alternative sources of funding to support these program enhancements, which may include:

- government grants;
- private foundation funds;

Figure 3.3

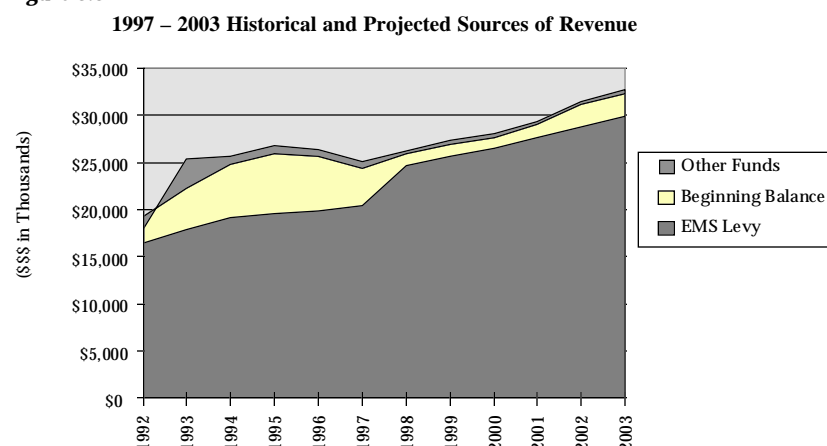




Table 3.4

**KING COUNTY EMERGENCY MEDICAL SERVICES
HISTORICAL AND PROJECTED REVENUES AND EXPENSES**

Excludes Seattle EMS Levy Funds (1)

(\$ in thousands)

	Historical Revenues and Expenses						Projected Revenues and Expenses					
	Levy Rate: \$0.25						Levy Rate: \$0.295					
	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
						Budgeted						
BEGINNING FUND BALANCE	\$2,850	\$4,471	\$5,716	\$6,433	\$5,907	\$3,977	\$1,290	\$1,383	\$1,397	\$1,758	\$1,409	\$1,493
REVENUES												
EMS Levy - County Share	\$16,484	\$17,886	\$19,070	\$19,609	\$19,784	\$20,397	\$24,600	\$25,600	\$26,500	\$26,100	\$28,600	\$29,800
Other Revenues (2)	\$274	\$315	\$587	\$397	\$297	\$255	\$103	\$110	\$112	\$143	\$112	\$119
County CX	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375
Total County EMS Funds	\$17,133	\$18,576	\$20,032	\$20,381	\$20,456	\$21,027	\$25,040	\$26,044	\$26,945	\$26,618	\$29,087	\$30,294
Total Available Funds (3)	\$19,983	\$23,047	\$25,748	\$26,814	\$26,363	\$25,004	\$26,330	\$27,427	\$28,341	\$28,376	\$30,496	\$31,787
EXPENDITURES												
County ALS Services (4)	\$5,884	\$10,878	\$9,337	\$10,767	\$11,798	\$12,735	\$13,452	\$14,310	\$14,543	\$14,577	\$16,313	\$17,149
County BLS Services	\$6,522	\$7,368	\$7,707	\$7,938	\$8,017	\$8,278	\$8,500	\$8,700	\$9,000	\$9,200	\$9,500	\$9,800
Regional Services	\$1,279	\$1,536	\$2,163	\$2,286	\$2,610	\$2,681	\$2,500	\$2,600	\$2,700	\$2,800	\$2,800	\$2,900
Strategic Initiatives (5)	0	0	0	0	0	\$60	\$495	\$420	\$340	\$390	\$390	\$390
Total County Expenditures	\$13,685	\$19,782	\$19,207	\$20,991	\$22,425	\$23,754	\$24,947	\$26,030	\$26,583	\$26,967	\$29,003	\$30,239
REVENUES LESS EXPENDITURES	\$6,298	\$3,265	\$6,541	\$5,823	\$3,938	\$1,250	\$1,383	\$1,397	\$1,758	\$1,409	\$1,493	\$1,548
Adjustments (6)	(\$1,827)	\$2,451	(\$108)	\$84	\$39	\$40						
Ending Fund Balance	\$4,471	\$5,716	\$6,433	\$5,907	\$3,977	\$1,290	\$1,383	\$1,397	\$1,758	\$1,409	\$1,493	\$1,548
Target Fund Balance (7)						\$1,051						\$1,522

- 1 Seattle levy revenues and expenses are excluded from this table due to different budget methods
- 2 Includes interest income on accumulated reserves @ 5% plus very limited amounts from designated timber taxes and public donations
- 3 Includes Revenues plus Beginning Fund Balance
- 4 Includes ALS contracts, vehicle replacement, rural ALS services, new ALS unit start-up funds
- 5 See Table 3.5 for detailed budget
- 6 Adjustments reflect County Council designated reappropriations, encumbrances, and misc. budget adjustments
- 7 The King County Executive requires a 5% reserve at the close of each levy cycle



- contributions from potential data sharing partners; and/or
- other public sources that may present themselves through the course of the 1998 - 2003 levy period.

It is anticipated that existing sources of EMS funding will be needed to support current services. However, it is possible that existing sources of funding may be available on a limited basis to support these new program developments.

ALS FUNDING

The EMS Division contracts with Bellevue and Shoreline Fire Departments and Evergreen Hospital to provide ALS services in North and Northeast King County. The Division provides ALS services in South King County. Funds are allocated to each ALS provider on a "Standard Unit Cost" basis. Budget items within the Standard Unit Cost cover all direct expenses and most indirect costs associated with the program. Allowable ALS expenses include:

Personnel

Paramedic wages including continuing education

Overtime pay, uniforms, and safety equipment

Benefits Based on a percentage of wages which varies by sponsor

Supplies

Medical, office, and vehicle supplies

Support Services

Utilities, rent, administrative staffing (MSO's), paramedic student training, travel, and dispatch costs

Equipment & Maintenance

Vehicle maintenance, communications, medical equipment, and office equipment

Other

Professional services, paramedic replacement, miscellaneous expenses.

A comparison of expenses across ALS providers indicates there is great similarity in the total cost of operating an ALS unit. Differences are due to variation in labor contracts or staffing mix. Some ALS providers employ paramedics who are cross trained in the fire service, allowing greater administrative flexibility in the event of illness, vacation leave, disability, etc.

Analysis also demonstrates that the current standard unit cost formula is equitable and assures consistency across jurisdictions in the type and level of ALS services delivered. The total cost per unit averages about \$1.0 million per year. This is about 9% more than the funding provided through the standard unit cost formula. ALS providers absorb the incremental expense within their other program budgets.

During the 1998-2003 levy period, the same standard unit cost allocation formula will be used to allocate EMS levy funds for ALS services. This will include funding for nine paramedic FTE's per ALS unit and other direct costs. As a budget control measure, ALS providers will be expected to continue absorbing a portion of indirect overhead costs.

Beginning in 1998, the EMS Division will budget levy funds in support of EMT/P units and half time units up to half the standard unit cost for a 24 hour, 2 paramedic unit.

BLS FUNDING

Throughout the 18 year history of the EMS levy, King County BLS providers have shared in EMS levy revenues. This funding policy reflects the County's long standing philosophy that EMS is a publicly-funded system based on collaboration and teamwork between ALS providers, BLS providers, and regional services.

As an integral participant in this system, fire-service based providers of BLS ser-



vices require resources and training to continue to deliver quality out-of-hospital emergency patient care. A portion of EMS levy funds are allocated to BLS providers to support these incremental activities.

To assure there is stable BLS funding through 2003, financial support for BLS services from the EMS levy will be maintained at current levels, adjusted annually for inflation as measured by the CPI. This will assure county residents continue to receive the quality and standard of care now delivered, and that ALS providers receive the level and quality of support expected of their BLS counterparts.

This financial plan acknowledges that ALS funding has priority over other EMS services. The plan also recognizes that BLS services contribute extensively to the success of the EMS system. Throughout the next levy period, it will be the responsibility of the EMS Division, in concert with the EMS Advisory Committee, to assure that EMS funding decisions reflect system-wide needs.

If necessary, funding recommendations will be presented to the King County Executive and King County Council for approval.

BLS FUNDING FORMULA

Financial analysis indicates that the current formula used to allocate BLS funds from the EMS levy to individual BLS providers is equitable and assures stability over time. This formula will continue to be used through the next levy period.

The current BLS funding formula is based on three variables: assessed property values, population, and call volumes.

- Assessed valuation reflects the amount of tax dollars collected in each jurisdiction from the EMS levy;
- Changes in population allows for fluctuations attributed to growth patterns that naturally occur over time; and
- Call volume measures the actual use of EMS resources.

EMS levy funds available for BLS are divided equally into three pools, one for each variable. The funds are then distributed on a percentage basis to each BLS agency. The three distributions are added together to derive each jurisdiction's individual BLS allocation. BLS allocations are adjusted to reflect changes in jurisdictional boundaries due to annexations, incorporations of new cities, or changes in service contract arrangements.

Stable funding is important to all EMS providers. To stabilize funds allocated to individual BLS agencies, the EMS levy allocation formula assures that no agency receives less in any given year than was received in the prior year, except in the case of annexations and/or incorporations. In the event that total BLS funding is decreased, then all BLS providers will proportionately share in the decrease by applying the allocation formula to the lower amount of available funds.

REGIONAL SERVICES FUNDING

The roles and responsibilities of the EMS Division have grown over the last eighteen years in concert with the evolution of the EMS system in King County. Over time, the Division has accepted increasing responsibility for coordinating joint efforts to provide uniform training, dispatch, medical control, and planning across 35 BLS providers and four ALS providers.



The EMS levy currently funds \$2.8 million to support regional services. The Division also receives EMS levy funds based on the standard unit cost formula to support its ALS program in South King County. As part of this financial plan, the Division's ALS funds are separated from funds that support regional services.

The EMS levy funds for regional services are aggregated with a portion of county general funds to support the EMS Division's regional EMS responsibilities. In the past, some of these responsibilities supported Department of Health activities and other county functions not related to the EMS system. The financial plan for 1998 - 2003 changes the funding mechanism for non-EMS system activities provided by or through the EMS Division.

Core Regional Functions

In the future, EMS levy funds will be devoted to core regional functions. Table 3.5 outlines the EMS Division's core services that are mandated by state law or county ordinance and which will be funded through the 1998-2003 EMS levy. The EMS Division is legally authorized to perform these activities and fund their operation through levy revenues.

The Division also receives funding from the County general fund of \$375,000 per year. This financial plan assumes that this level of county funding will be continued during the next levy period to support indirect/overhead costs for the ALS program and other county administrative activities that support regional EMS programs. It is also assumed that the Division will continue to generate interest income on cash reserves at an annual rate of 5%.

Regional Services 1998 Program Changes

A recent review of internal EMS Division operations identified potential cost saving opportunities through:

- consolidation of certain programs with other health department functions;
- transfer of program responsibilities to external agencies providing similar services; and
- transfer of funding responsibilities for non-EMS system activities to other health department budgets.

The consolidations and transfers are projected to save \$195,000 in EMS Division costs.

Recent reorganization and consolidation of services between the EMS Division and the King County Health Department allows the possibility for further cost-savings through integration of other programs. The EMS Division Manager will continue to explore opportunities for shared savings.

Categorical Programs

The Division currently administers about \$183,500 in grant funding from the State of Washington to the Seattle-King County region in support of trauma training and other activities related to the statewide trauma initiative. Grant funding for categorical programs is not included in this financial plan, nor are the associated costs. If this grant funding is decreased or discontinued, the services will be modified to reflect the level of available support.

Unfunded Regional Programs

The EMS system's response to public sentiment on new taxes resulted in a decision to not fund two new programs or initiatives through EMS levy funds. Instead, it is recommended that funding



be sought through other sources as the opportunity arises.

(1) Health plan coordination and collaboration

Preliminary discussions with local health plan representatives and managed care providers are underway and will continue through the beginning of the next levy period. The discussions are focused on cost saving opportunities through public education, flexible transport destinations, and utilization management. Additional areas of focus for EMS and other health care providers include improved quality of care and an enhanced continuum of care. The EMS Division will explore the feasibility of developing a public/private partnership to fund continuation of these vital discussions and potential future collaborative efforts.

EMS levy funds for implementing Strategic Initiatives #1 and #2 include limited support for joint public/private discussions on EMS policy issues and feasibility studies. Additional funding will be needed to implement any policies that result from these discussions.

(2) Enhanced Research

Funding is not included in this financial plan for an integrated database that includes patient information from pre-hospital, hospital, rehabilitation, and follow-up care. Through the next levy period, the EMS Division will explore the feasibility of collaborating with other providers within the full continuum of care to identify potential funding to support this effort.

EMS levy funds have been earmarked for implementation of the 1998–2003 strategic initiatives. Funds will be needed to:

- explore the feasibility of proposed enhancements;
- evaluate program changes through pilot projects; and
- collaborate with non-EMS entities.

Potential cost estimates to support the planning, development and implementation process are described in Chapter 4. In total, the funding plan earmarks \$2.3 million dollars for implementation.

Table 3.5

CORE REGIONAL FUNCTIONS SUPPORTED BY THE 1998 – 2003 EMS LEVY		
Core Functions		Rationale
1. Medical Program Director		mandated by state law
2. EMT & First Responder Basic Training, CE Plus Instructor Training		cost effectiveness uniformity consistency across jurisdictions
3. Emergency Medical Dispatch		adjust ALS/BLS triage guidelines, control demand training uniformity, consistency, & cost effectiveness
4. Critical Incident Stress		very successful for EMS low cost peer volunteers
5. Quality Assurance		evaluation of ALS, BLS, & dispatch
6. Database		supports on-going planning, operations, and quality assurance
7. Paramedic CE		complements HMC program necessary to meet recertification requirements
8. Administration		ALS and BLS contract negotiation, monitoring and oversight regional EMS coordination activities EMS advisory committee

**STRATEGIC INITIATIVES FUNDING
PLAN**